## Marquess, Scott

From: Mindrup, Mary

**Sent:** Friday, June 13, 2014 12:34 PM

To: Dunlevy, Robert

**Subject:** FW: Pretty Prairie; Small Kansas town faces \$4.6 million bill for broken water system

I will not be responding to Darrel's email. I thought you might like to see what he wrote. I will let Karen know that I agree that KDHE has a strong capacity development program.

From: Darrel Plummer [mailto:DPlummer@kdheks.gov]

**Sent:** Friday, June 13, 2014 10:43 AM

To: Mindrup, Mary; Flournoy, Karen; Huffman, Diane

Cc: Marquess, Scott; Brune, Doug; Mike Tate; Cathy Tucker-Vogel

Subject: RE: Pretty Prairie; Small Kansas town faces \$4.6 million bill for broken water system

## Mary,

We not at liberty to share the actual cost estimate sheet of the project with you since we have not officially received the final PER yet. However, the preliminary figure of 4.6 M includes costs for replacing 95 year old infrastructure; sand cast iron water lines and the water tower. The approximate breakdown comes out something like this:

Nitrate Ion Exchange Treatment Plant – 1.6 M Elevated Storage Tank - .75 M Replacement of Cast Iron Water Lines – 1.3 M Engineering/Administration/Land Costs – 1.0 M

As you can see the capital cost to address the nitrate problem is probably only about 2.0 -2.5 M or so with the engineering and administration and land costs figured in. But, it does not take into account the \$50,000 - \$100,000 per year O&M cost that the system will have to come up with to keep the plant operating properly. Still a bite for these small shrinking communities.

This also highlights the lack of active asset management going on in communities. Water sales is one of the few revenue generators, besides taxes, that these communities have so they skim off what they can to support other community programs. So now we have communities that haven't had any major upgrades to their infrastructure for almost 100 years...or longer.

We have a strong asset management program as well as other important TFM programs for communities to take advantage of through the Capacity Development Program but these programs are voluntary and are not utilized nearly as much as they need to be. Asset management needs to be in practice long before the community reaches a crisis.

## Thanx,

Darrel R. Plummer Chief, Public Water Supply Section Kansas Dept. of Health and Environment Bureau of Water - Public Water Supply Section 1000 SW Jackson; Suite 420 Topeka, KS 66612

Phone: (785) 296-5523 Fax: (785) 296-5509 **From:** Mindrup, Mary [mailto:Mindrup.Mary@epa.gov]

**Sent:** Friday, June 13, 2014 9:51 AM **To:** Flournoy, Karen; Huffman, Diane

Cc: Marquess, Scott; Brune, Doug; Mike Tate; Darrel Plummer

Subject: RE: Pretty Prairie; Small Kansas town faces \$4.6 million bill for broken water system

All – Further discussion of small systems specifically those impacted by Nitrate is very important. Cost for infrastructure is high for very small systems who may becoming smaller. It is important to understand what has been occurring across the country to impact decisions of future action.

Small systems is an issue faced by all states. At EPA (Office of Water, Office of Ground Water and Drinking Water) has identified the overall small system issue for public water systems as an EPA priority goal for FY12-13 and now for FY14-15. More information on EPA priority goals can be found at: <a href="http://www.performance.gov/agency/environmental-protection-agency#apg">http://www.performance.gov/agency/environmental-protection-agency#apg</a>

The small system priority for PWS as written states: "Improve public health protection for persons served by small drinking water systems, which account for more than 97% of public water systems in the U.S., by strengthening the technical, managerial, and financial capacity of those systems."

In support of this goal, EPA has had two rounds of competed technical assistance grants of which the EFC has won a portion of the competition. These grantees are to work with states to identify priority work areas within the states. Both rounds of grants included work with small waste water systems. For the first round of the agency priority goal, HQ, Regions and states worked on a variety of activities that focused attention on such issues as improving asset management practices, reaching out to noncommunity water systems, coordinating among funding agencies to help small systems, and recruiting operators to fill vacancies. HQ is preparing a report of what has been accomplished by states and EPA regarding the Small System Priority Goal, which is going through final signature and included in this report is a lot of work Kansas has done through their capacity development program to improve small systems financial, managerial and technical capacity.

As for ASDWA, they have also have been focused on small systems. Their website, <a href="http://www.asdwa.org/index.cfm?fuseaction=Page.viewPage&pageId=503">http://www.asdwa.org/index.cfm?fuseaction=Page.viewPage&pageId=503</a>, provides focused attention to the activities that are ongoing.

As for ORD projects specifically for Nitrate, we can look further into this. There was an effort underway between OGWDW and ORD last year to look at available treatment options and costs for nitrate contamination, but was placed on hold due to staff resources. The treatment cost for referenced system in this email also needs further discussion. We are aware of other similar size systems with lower costs to achieve nitrate compliance.

I support including this important topic at the 4-state water director's meeting. To further this discussion it would be important to include the state drinking water managers for this part of the meeting.

Thanks.

Mary A T Mindrup Chief, Drinking Water Management Branch Water, Wetlands, and Pesticides Division US Environmental Protection Agency Region 7 11201 Renner Boulevard Lenexa, KS 66219 913-551-7431

From: Flournoy, Karen

Sent: Monday, June 09, 2014 8:07 AM

To: Huffman, Diane

**Cc:** Marquess, Scott; Mindrup, Mary; Brune, Doug; <a href="mailto:mtate@kdheks.gov">mtate@kdheks.gov</a>; <a href="mailto:DPlummer@kdheks.gov">DPlummer@kdheks.gov</a>; <a href="mailto:Subject">Subject: Pretty Prairie</a>; <a href="mailto:Small">Small</a> Kansas town faces \$4.6 million bill for broken water system

All-Darrel raises a very good point in his email. There needs to be a way to provide safe water without bankrupting the communities and negatively impacting state SRF programs.

Is there a possibility the EFC along with one or both universities could look at how to address these small communities? Yes-I realize it would take \$ but it is important so we can do some leg work to find \$. Do we know or can we find out if ORD is doing anything on this issue? I doubt we are the only Region facing this issue-we may have more small rural towns, but they exist in other states, too. I think we need to put some effort and leadership into this topic. What is OGWDW's take on this issue? What is ASDWA doing on this? thanks Karen

From: Huffman, Diane

Sent: Monday, June 09, 2014 7:28 AM

To: Flournoy, Karen

Subject: Fw: Pretty Prairie; Small Kansas town faces \$4.6 million bill for broken water system

We should discuss.

From: Darrel Plummer < DPlummer@kdheks.gov>

**Sent:** Friday, June 06, 2014 4:21:05 PM **To:** Brune, Doug; Marquess, Scott **Cc:** Mindrup, Mary; Huffman, Diane

Subject: Pretty Prairie; Small Kansas town faces \$4.6 million bill for broken water system

Assume you saw this by now but thought I'd pass this along anyway.

http://cjonline.com/news/2014-06-04/small-kansas-town-faces-46-million-bill-broken-water-system

This emphasizes our concerns about these small systems; like Pretty Prairie and smaller systems under 200 pop. like Englewood, Bogue, Timken and Mahaska. As I've said before, these are dying communities, they are not growing and thriving. I'm afraid the time is coming when these systems will begin defaulting on the SRF and RD loans we so eagerly "pushed" them into so they could meet state and federal regulatory requirements. Being a state that leverages the SRF programs through the bond market we are not anxious to make loans of this magnitude to these types of systems. We do not want to have our bond rating lowered. I see a "train wreck" ahead if we can't find a better more cost effective way to work with these small systems. As with the S&L crisis of the 1980s and the more recent financial crisis in 2007-2012, government will be left holding the preverbal "bag" once again. Not good.

Thanx,
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